ORIGINAL 1 BEFORE THE DIVISION OF OIL, GAS AND MINING 2 3 DEPARTMENT OF NATURAL RESOURCES 4 STATE OF UTAH 5 6 8 IN THE MATTER OF THE PERMIT APPLICATION FOR ALTON COAL DEVELOPMENT, L.L.C.'S COAL HOLLOW MINE C/025/0005 KANE COUNTY, UTAH 10 11 INFORMAL CONFERENCE 12 13 14 15 16 Alton City Town Hall TAKEN AT: 11 South 100 West 17 Alton, Utah 18 June 16, 2008 DATE: 19 TIME: 6:00 p.m. 20 21 ATKINSON-BAKER, 22 COURT REPORTERS $(800) \cdot 288 - 3376$ 23 www.depo.com 24 REPORTED BY: CAROLE YELTON, RPR, CSR 25 FILE NO.: A204B4B

1 A P P E A R A N C E S: 2 Division of Oil, Gas and Mining: John R. Baza, Director 3 Dana Dean, Associate Director - Mining Daron Haddock, Permit Supervisor 4 Priscilla Burton, Environmental Scientist David Darby, Environmental Scientist 5 Wayne Western, Environmental Scientist Joe Helfrich, Environmental Scientist 6 Jim Smith, Environmental Scientist Steven F. Alder, Assistant Attorney General Kevin Bolander, Assistant Attorney General 8 Denise A. Dragoo, Esq. 9 SPEAKERS: 10 Barbara Allison 11 Carol Allison Erik Baron 12 John R. Baza Rick Blackwell 13 Bobbi Bryant Claire Cleveland 14 Jerry Drummond Richard Hartley 15 Ron Heaton Claren Heaton 16 Jim Johnson Brent Judd 17 Chris McCourt Luella McMahan 18 Peter McMahan Frank Nichols 19 Brian Nichols Vince Salvato 20 Richard Swapp Paul Thevenin 21 Becky Yard 22 23 24 25

P_R_O_C_E_E_D_I_N_G_S

DIRECTOR BAZA: Well, let me start by saying my name is John Baza; I'm the Director of the Division of Oil, Gas and Mining.

I'd like to thank you all for coming. And I'd also like to thank the -- the Mayor of Alton for allowing us to be in this building and use this room for this purpose tonight.

Let me mention that the Division of Oil, Gas and Mining is one of seven divisions within the Utah Department of Natural Resources.

And, along with our other sister agencies, we're responsible to ensure that activities in the State of Utah, at least related to mining, are complying with state law and regulations.

We're here today to conduct an informal conference in the matter of an application for a coal mine presented to the Division by Alton Coal Development, L.L.C.

And this is identified as Mine Application

Number C/025/0005. I'd like to introduce, along with

myself, members of the Division staff who are here with

me today.

And I'll ask each one of them to stand and

just -- so that you can see who they are. First of all,
I'd like to introduce Dana Dean, who is our Associate
Director for Mining.

Then, we have Daron Haddock and Jim Smith, who are managers within our coal regulatory program.

We also have staff members of the Division, and one of those staff members will be giving a presentation tonight. Her name is Priscilla Burton.

And other staff right here, who have technical expertise in the review of the mine application, are Wayne Western, Joe Helfrich and Dave Darby.

We also have assistants from our Attorney General's office, and that would be Steve Alder and Kevin Bolander.

As I've already mentioned, the Division has received an application to conduct surface coal mining operations located nearby to where we're having this meeting tonight.

Following my remarks, a member of the Division staff, Priscilla Burton, will briefly summarize the proposed mining operations, but I'm going to introduce the topic and tell you how we're -- we're going to proceed through this -- this evening's meeting.

The Division is required to evaluate the application to assure that it complies with the

requirements of the Utah Coal Mining Reclamation Act and the associated regulations.

The Division's approval does not supersede the authority of other agencies that also have authority under state and federal law.

The Division's obligation is to ensure that mining proceeds in an environmentally sound manner and that reclamation occurs soon after mining, according to the R645 Utah Coal Mining Rules.

This informal conference is being held to take comment on the proposal to surface mine approximately 653 acres of privately owned coal and surface approximately four miles southeast of the town of Alton.

To facilitate the mining of the fee coal -and fee means privately owned -- public road 136 must be
temporarily relocated. Comments on the road relocation
are also encouraged at this time.

The Division's evaluation is a somewhat lengthy process that involves a number of stages. And let me explain those stages to you.

The first stage is to determine that the application is administratively complete. The application submitted -- or the applicant submitted an initial application package on June 14th of last year, in 2007.

And subsequently they supplemented that information with additional information this past January, on January 24th of 2008.

The Division made the determination that the application was administratively complete and notified the applicant of this determination on March 14th.

The second stage occurs after the Division determines that there's an administratively complete application.

Then, the applicant and the Division give notice of the application to solicit comments, and this is the stage that we're now in this evening.

Let me explain that in a little more detail.

Notice was published by the applicant, and the Division sent notice to affected government agencies or entities that we had determined that the application was administratively complete.

A public notice appeared for the 635.64-acre surface mine permit application in the Southern Utah

News from March 26th through April 16th. The Division accepted public comment through May 16th, about 30 days after that.

If requested within 30 days of the last newspaper publication, the Division is required to hold an informal conference as part of the comment

opportunity.

Three requests were received within the 30 days, and thus the Division is holding this informal conference.

The Division mailed notice to government entities and others and requested their comments by May 22nd.

Those comments were received by that date, and additional comments have also been received since the two aforementioned deadlines that I just -- that I just covered.

All written comments will be received and considered by the Division as it proceeds with the evaluation.

And I need to repeat that, that all written comments will be received and considered by the Division.

This informal conference was advertised the first week in June, June 4th and 5th, in both the Southern Utah News and the Garfield County newspaper.

In order to accomplish -- accommodate the purposes of providing for full public participation in the application review process, the Division will allow an opportunity for all who wish to comment at this informal conference an opportunity to do so.

Finally, in order to provide a full two weeks of notice and to provide time for those who need additional time to comment, the Division will extend the time to file your written comments until this Friday, June 20th. At that point, the comment period will close.

The third stage of our process occurs primarily after the informal conference is concluded. And it involves the work of making a thorough evaluation of the application for its technical adequacy, in other words, to determine that the application and the operator comply with all of the requirements of the act to obtain a permit.

This requires a very thorough analysis of the area to be mined, including the hydrology, the wildlife, the vegetation, the archaeology, the land use and other resource aspects of the area.

It also includes an evaluation of the proposed mining operation and mining and reclamation plan to assure that mining will be conducted in a way that will protect the resources and assure that the area will be returned to the approved post-mining land use.

The final -- fourth and final stage occurs when the Division makes its decision on the application. Notice will be sent to all persons who participated in

this informal conference, and any person who has an interest that may be adversely affected may request a hearing on the Division's final decision.

If there is a request, any person with an interest that may be adversely affected has an opportunity for a hearing before the Board of Oil, Gas and Mining, who normally meet in Salt Lake City.

As part of the decision to approve a permit, the Division must determine that the mine operator complies with other laws and regulations that are enforced by other federal, state and local government bodies.

For example, the operator must comply with
Bureau of Land Management requirements for a right of
way. They must obtain air and water quality permits
from the Utah Department of Environmental Quality. And
they must obtain approval of Kane County to relocate any
roads and for other county level permit.

Approvals from other government entities may also be required. Although these issues may arise due to the possible approval of the mining application, the Division is not responsible for enforcing these laws, and approval must be granted by the appropriate government agency.

Although you may wish to comment today on

these concerns, you should be aware that you will also need to address your concerns to those agencies in accordance with their procedures and opportunities for public participation in those decisions.

Regarding the proposed relocation of the public road, we wish to advise you of, at least, two other agencies and approvals that will occur later.

First of all, we know that the BLM is currently going through a scoping process, and they'll be accepting public comment through June 22nd, and we encourage you to participate in that process. And that will probably be the BLM office out of Kanab.

Secondly, Kane County may need to make some determinations of their own. They're in the process of addressing an agreement with the applicant in this case regarding the road relocation.

As part of the public process, if a public road is to be re- -- relocated, then the Division is required to provide an opportunity for public hearing on that proposed relocation, the timing and duration of the relocation and, based on the information received, make a determination that the interests of the public will be protected.

Although the public advertisement and other notices given for this informal conference included the

relocation of the road as part of the purposes of this informal conference, the Division will not rely solely on this meeting on this issue.

And before making its findings concerning the adequacy of the protection of the public interests involved, we will have discussions with those other parties.

Finally, I'll repeat that this informal conference is an opportunity for the Division to receive comments. It's not a hearing on the determination that the application is complete.

We've made that determination, and we certainly will hear your comments on that. No person's rights to appeal the final decision of the mining approval will be affected by the fact that they make comments here tonight or not.

We hope that the comments will be constructive, and your comments will help the Division to conduct a better permit review and reach a better decision making on this mine application.

The final decision on whether to grant the permit or not will occur after a great deal of additional work.

You will receive notice of that decision if you elect to provide comments with your name and

address.

Now, I do believe we have a list going around where you can put your name and address if you receive -- want to receive more information from the Division. You can just list your name if you just want to show that you participated in the meeting tonight.

So let me summarize the comments we've received so far. In all, approximately 40 individuals have commented and four interested organizations.

And these were all comments that we received on or before May 22nd. Three requests for an informal conference were received by May 16th.

These came from Bobbi Bryant, Peter and Luella McMahan and Brian Douglas. Five more were received by May 22nd.

They were Daron Cleveland, Kurt and Teresa Sherwood, Danielle Bass, Phillip and Harriet Presca and Steven Bloch representing the Southern Utah Wilderness Alliance.

Let me also mention that supportive comments were received from the Kane County Commission,

Representative Mike Morrell, Alton Mayor Claren Heaton and from individuals.

Supportive comments focused on the need for the jobs and the industry in this region and the need to

provide for energy independence.

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Most comments received by the Division were concerned with the effects of 300 trucks daily on the designated Panguitch National Historic District and the effects of truck traffic on safety to travelers on SR 89.

Some were concerned about visibility impacts.

Some were concerned about traffic throughout, and some mentioned impacts on wildlife and the water resources.

To the extent that we have rules that affect these issues and resources, we will certainly address them.

But your comments are certainly much appreciated, and we will take those into consideration as we go through the review process.

Let me explain how I'd like to proceed tonight. First of all, as I mentioned, Priscilla Burton from the Division will give a brief explanation on the proposed mining operations.

After her explanation, we'd like to receive comments by the persons who requested an informal conference. These include the names I've already mentioned, Bobbi Bryant, Peter and Luella McMahan, Brian Douglas, Daron Cleveland, Kurt and Teresa Sherwood, Danielle Bass, and Steven Bloch.

No one who provides written comment need address this -- this meeting orally. And, as I've previously mentioned, we will leave a time period open for the remainder of the week for any written comments that you want to submit.

Next, we would like to hear from those who have submitted written comments and wish to speak further, again only if they wish to do so. These would be the people whose names I haven't mentioned but who have turned in written comments.

And, finally, we'd like to allow for comments from any others as time permits. And certainly, before the close of the meeting tonight, we will also leave some time for a statement by the applicant in response to any comments they've heard tonight.

Although I don't want to set specific time limits for each person, I would ask you to be succinct and to summarize your comments as quickly as you can.

I believe that you should be able to do this within a window of about five minutes each, recognizing that we may have many persons who wish to comment.

If I do sense an individual's comments are running long, then I'll ask you to conclude very quickly.

I'd also encourage you to contact these

.

Division staff members after this informal conference with any specific questions that you might have.

As we close the meeting tonight, we'll certainly have a few minutes while we're cleaning up and taking down chairs. And if you want to visit with any of the staff members, we'll be around as long as we can to answer your questions.

It probably would not be reasonable during this meeting to try to have a dialog with individuals while we have others who may be waiting for comment.

So, having said all this, let's now proceed and turn the time over to Priscilla, and we'll organize our comments -- public comments as I've indicated.

MS. BURTON: I've come with a few handouts that you're welcome to come up after -- after we've taken comments and -- and take home with you.

One is a -- a fact sheet on the Coal Hollow Mine, and this is information that is boiled down from those six volumes over there (indicating), which is the mine application.

And the other paper is a -- a diagram of the relocation of the road, and we'll go over that in a minute. And then I've got some cards up here if you -- if you want to pick up my card.

DIRECTOR BAZA: Can everyone hear Priscilla?

Does she need to use the microphone?

MS. BURTON: Just to make -- make it clear, a lot of the commenters that we received comments from are aware of the BLM's current environmental impact statement that they are writing on a federal lease that is adjacent to this privately held coal that the Division is currently permitting.

So that is a -- is a separate issue, and you'll have an opportunity to comment on that when it -- when the BLM environmental impact statement comes out in draft form.

So what was before the Division -- or is before the Division and what was noticed in the public notice is a -- an application for a -- a mine on private land.

And the coal is held in -- in private -privately owned coal, which we refer to as fee coal.

It's 635 acres, and it's in Township 39 South, Range 5
West, Sections 19, 20, 30 and 29. And that's just south of Alton.

Also wanted to mention that these six volumes over here are available on our website, and I've written the website on the -- the blackboard inside that room where I've written the website.

The website's also stapled to the public

notice, which was in the Southern Paiute News in March and April. And so it's on the wall up there.

So you can log on to that website. You have to use a password and log in, and the password and log in are both ogmquest.

And so these maps on the wall display, first of all the location --

THE REPORTER: Excuse me.

DIRECTOR BAZA: Yeah. She cannot hear you.

Do you want to use the microphone?

MS. BURTON: So the topographic map shows the location. I was going to start down there, Wayne, and just point out Sink Valley southeast of Alton.

MR. WESTERN: The valley is here, and this is Lower Rock Creek in here, and the Town of Alton is here (indicating).

MS. BURTON: And then the next map is drawing 1-1 area permit and application, and it shows you the same area but on a little larger scale.

And the area in pink is the -- the permit area that the Alton Coal Development is applying for a permit for.

And -- and then the following map, which is drawing 5-2, shows the progression of mining with year one mining in green and year two mining in brown, and

then the third year mining.

And this would be -- this mine permit application is for a five-year permit. And, the way the application describes the work, it will be completely reclaimed in five years.

Reclamation will be contemporaneous; so, as each pit is mined, it will be reclaimed. The mine will use hydraulic excavators, front-end loaders, end-dump mining trucks, and they will try to mine without blasting if possible.

Then, the next map, which is drawing 5-3, of this permit application shows the surface facility there again. There's going to be a 29-acre office, shop, bathhouse on the north end of the -- of the permit area.

There will be an on-site processing plant with crushing, sizing, cleaning and conveying. There will be a 150,000-ton coal stockpile, which will cover 3 1/2 acres and have a 85-foot high stacker.

And the -- the next series of maps portray the road realignment. Actually, Wayne, point out the road as it goes through the facilities area, the road that -- where it is now.

MR. WESTERN: This is the road coming down here (indicating), and this is the road realignment over here.

MS. BURTON: And Alton Coal Development has been in communication with the county and has worked up a preliminary design which they've shared with us.

And that's a series of small papers stapled on the wall. The first one shows the realignment, which is temporary.

The second paper shows the order of each of the -- the succeeding profile sheets, how they -- how they fall on the road.

So the paper that Wayne has, the dark shading, that shows each of -- where each one of the following sheets is located, and those sheets show the profile of the road and what it will look like.

And the road will be -- it will be 24 feet wide; it will be a gravel base road, and it will be treated with either calcium chloride or macadam. And there will be a 66-foot right-of-way on either side of the road.

Anything else? The BLM is -- I think John may have mentioned this. The BLM is currently doing scoping on the road right-of-way, and public has an opportunity to comment on the realignment with the BLM as well as with -- with us tonight.

The realignment is temporary, and it will be returned to its approximate original right-of-way at the

end of mining.

And there are -- there will be three possible final alignments, depending on whether or not the federal lease goes forward and whether or not Alton Coal Development acquires those leases. And that's -- that's what the Division knows about that road.

DIRECTOR BAZA: Priscilla, do you want people to have copies of this?

MS. BURTON: Yeah. They can have those.

DIRECTOR BAZA: We're going to be passing around a fact sheet that Priscilla referred to for anybody who wants one. Please feel free to take one. Priscilla's cards are up here as well.

I -- I should have mentioned that -- that the team that you see in front of you will be the review team for this coal mine application, and Priscilla has been designated as the team lead.

She actually lives in Emery County; and -- so she's very familiar with coal country and the impacts of the development that it has in those areas.

So if you want to correspond with Priscilla or ask questions of her, please take one of her cards. I'm sure she'd like to hear from you and exchange e-mails with you as you would like.

At this time, this is the time that we allow

to have anyone who wants provide oral comment.

We do have a court recorder here as you can see, and she's transcribing this -- not that this is a legal document for any reason, but we want to make sure we get your comments right the first time. So that's why she's here.

So if you're going to come up and make comments, please state your name so that she can hear you and identify yourself.

Let's start with those people who have supplied written comments to us, and, again, I'll repeat those names, Bobbi Bryant, Peter and Luella McMahan, Brian Douglas, Daron Cleveland, Kurt and Teresa Sherwood, Danielle Bass or Steven Bloch.

UNIDENTIFIED VOICE: Mr. and Mrs. Presca.

DIRECTOR BAZA: Oh, Mr. and Mrs. Presca also. Sorry about that.

Are any of those people here and would like to provide oral comments? Please step up to the microphone.

MS. BRYANT: My name is Bobbi Bryant,

B-r-y-a-n-t. And I've been in communication with Daron,

a couple of communications via e-mail.

And I guess I have a couple of questions that -- or a couple of items that I would like to have

clarification.

And one is -- I know several times it's been address- -- I live in Panguitch, by the way, Panguitch, Utah, and I own a business there called Bronco Bobbi's and used to own one of the historic homes that are restored in Panguitch. And I have lived there for 11 years. And I own a historic building presently.

It states in the code rules that the Division consider the impact of hauling coal through Panguitch, Hatch and Alton.

The rules are clear that, in addition to considering the impact of coal mining and reclamation, operation to the permit area, the Division must give equal and full treatment to the adjacent area, the area outside of the permit area where a resource or resources determined according to the context in which adjacent area issues are or reasonably could be expected to be adversely impacted by the proposed coal mine.

And I think you all know the Utah state rules to that, but if you want me to quote those, I will.

It's Rule 645-301-411.140. And also economics of the adjacent area is Rule 645-301-411.130.

I know that even the Utah State Historic

Preservation Officer and other people have requested

from the Division that this be addressed in the C.R.M.P.

and in other analysis of this permitting.

And, to date, I don't believe any of that has been done, and that is one of my questions is why? Has this fallen on deaf ears or are we going to have that study done?

The other thing is that several responses were sent to the Division regarding the impact of the coal mine on local economy and businesses in Garfield County.

Panguitch, as you know, recently received the designation of a National Historic District in 2006, and we have -- we continually see visitors come to Panguitch and come along Highway 89 because they no longer want to do the Interstate.

They want to visit the small towns, the small communities, the small roads, see the beauty. And what more beautiful place than Southern Utah? I mean, we're very, very fortunate to get to live here.

Representative Mike Morrell, I don't know if he's here. He made a comment in his -- in his memo that -- or his e-mail that \$150 million in mineral royalties come to the state.

But I didn't know if he also studied and realized that over \$376 million come in fishing activities -- and we used to, by the way, own Panguitch Anglers and fly-fishing business -- 274 million in

hunting activities and over 542 million in wildlife-viewing activities.

And that activity continues to increase each and every year, and we see more and more of that around Bryce Canyon.

Also I've heard for years -- I don't hunt, but the people in Alton live in probably one of the prime hunting areas, the Paunsaugunt Plateau. Everyone prays to the hunting gods that they get to draw a permit to hunt here. So I think that needs to be taken into consideration.

I also think we need to look at what happened with Salina Creek and the coal dust and the poisoning of that creek.

What will happen to the Sevier River, Mammoth and Asay Creeks? Will we have that same situation happen there?

Many of us draw off of those waters for our wells, the aquifers from there. Will that poison our water? Will we be in a position where we have to drink bottled water, that we no longer can use the wonderful well water that we enjoy today?

Last year over 30,000 -- 30,000 people came to Bryce Canyon just to see the night skies. How phenomenal are they? They're just absolutely beautiful.

It's a -- my -- my question, if this mining activity goes for 24 hours a day, and trucks are traversing in and out of Alton every three to five minutes, plus the lights for the mine, what is that going to do to the night skies?

I don't think that -- from what I've read under the C.R.M.P., I don't think adequate studies have been done on that, and I think we need to do more studies on it.

I'm almost finished.

The water situation, the slurry ponds. Right now, we know that Iowa has experienced the second 500-year flood in 75 years. It's a terrible situation.

We have 100-year floods here that seem to come every 10 years. How is that being addressed? How are we going to handle that, once walls of water come down and go into those slurry ponds that are going to go into Kanab Creek and the other creeks, Robinson Creek, and other creeks are going to be impacted and affected by that.

Commissioner Hapshaw figures the Heritage Highway includes logging and mining, which is true. That was a wonderful heritage industry.

But that was before we had national parks.

That's before we had the Europeans and the Asians coming

over traveling to see the beauty of our state and the beautiful -- the beauty of Zion and Bryce, Capitol Reef, et cetera, all the parks that are in the counties that surround Kane County. So I want that to be considered.

Last year, over \$138 million was spent in Garfield County by tourism, \$90,000 in Kane County.

Will these jobs equal that if we lose that tourism? I doubt it.

Thank you.

DIRECTOR BAZA: Thank you, Ms. Bryant.

And, let's see, who do we have coming up next?

MS. MCMAHAN: Luella McMahan.

DIRECTOR BAZA: Okay.

MS. MCMAHAN: Hi. I'm Luella McMahan. It's M-c-M-a-h-a-n. And I don't have a whole lot to add to what Bobbi did, but I do live in a historic home in Panguitch, and we are part of the historic district. We are on the Mormon Heritage Highway.

And I'm a business owner, and I rely on tourism. And I am very concerned about the negative impact that the increased traffic is going to have on my business because I don't think that the tourists are going to want to hassle with an additional 300 trucks on the roads to try to get to us.

And I'm also extremely concerned about the

health hazards. I have asthma, which is one of the reasons that I moved to Utah because I couldn't breathe in California.

I can breathe here, and I'm extremely concerned that I won't be able to do that any longer without some kind of oxygen with the coal mines come -- coming into our town.

So I'm just wanting to know how many jobs are there going to be and how many of those positions will be filled by our locals.

Because I know that there may be jobs, but are those going to be actually filled by local people or are they going to be outsiders?

Because if it isn't going to help in that respect, then -- I mean, that -- that, to me, would be the only purpose for -- for having it, and I don't think that's a good one.

Anyway, that's all I have to say. I just am very concerned about everything, our environment, like I said, my health issues as well as everyone else's in our district and the negative impact on our tourism.

So, thank you.

DIRECTOR BAZA: Thank you. Okay. Was there anyone else from the list of names that I mentioned?

Okay. Let's move to that second group then.

Is there anyone here who supplied written comments that I didn't mention their name who would like to speak?

Okay. We've got several hands. Please come up to the microphone, and state your name for the reporter.

MS. CLEVELAND: My name is Claire Cleveland.

I'm Mrs. Daron Cleveland.

I very much believe in individual freedom and private property and those rights.

However, when the activities on those individual properties negatively impact significantly the surrounding areas, then it's not just about those individuals and what they're doing on their individual land; it's about everyone who's around them and it's about how it's negatively impacting those people around them.

I think the impact of this mine would be significant. Bryce Canyon has one of the cleanest air qualities virtually in the world, from my reading.

It also has one of the best view sheds in the world for the night skies, as Bobbi was mentioning earlier.

And to jeopardize those -- it takes a long time, if -- if people hear about this news, and they're tra- -- and they're -- the tourism and that sort of

thing, it takes a long time to remedy that.

So even if it is just five years, that negative word can really have a sustaining impact on the tourism industry, which is huge in Southern Utah.

Also this part of the country is one of the last parts of this country that has this quiet and this solitude where you can go for miles and miles and miles and not see another human being. And bringing in this kind of industry really negatively impacts that as well.

And for people moving into this area from different areas who are bringing in economic well-being, bringing in new businesses typically based on the -- the tourism industry, those folks are coming here because it's unique.

If you want to go in -- in the city, there's New York, Boston, basically the entire East Coast, the entire West Coast.

They're there; they have infrastructures that are built and in place, it won't cost the state billions of dollars -- it would cost the state billions and billions of dollars to recreate that infrastructure for those cities, but then we'd just be like everybody else, there'd be no special draw for people to come here.

Sorry, I'm nervous. I haven't done this before.

And being that unique place, I think that's what differentiates us and makes this a place that people want to start those kinds of businesses and will be the future of Utah.

That's what its unique characteristic is. I think if you destroy that, then we're just like everybody else, and you lose that primary uniqueness that differentiates us.

Just keeping this area the way it is as far as the natural resources, as far as the national parks and those sorts of things are what -- are what's going to draw people here, and it's what's going to be the future of -- of this area, of this country.

Thank you.

MS. YARD: Hello, my name is Becky Yard. My husband and I own a home and a business on Main Street in Panguitch, Utah. Most of my concerns have already been addressed.

But my husband and I both are members of Panguitch Main Street and the Triple C Board of Directors, and we work very hard to bring events and tourism to Panguitch.

And I'd like to know what will happen -- we block our streets off in Panguitch four times a year for festivals that bring sometimes up to 10,000 people into

our little town. What will happen with coal trucks coming through every 4.8 minutes to our beautiful town?

I know this is a selfish statement, but I'm going to read it anyway.

If there must be a coal ca- -- a coal mine in Kane County, why not choose a truck route through Kane County and leave our -- leave Garfield County out of the picture.

If Kane County is receiving most of the federal funds for hosting this coal mine, let their roads bear the brunt of the damage and the traffic -- traffic these trucks will produce.

We truly believe the amount of road funds that we pay for Garfield County will not justify the amount of money Panguitch and surrounding towns will lose in the lack of tourism, not to mention the damage of our roads.

Thank you.

DIRECTOR BAZA: Some other hands? Please, there's a microphone over here too.

MR. HARTLEY: My name is Richard Hartley,
H-a-r-t-l-e-y. And, in my written comments, I addressed
all of the issues that we have talked about here.

There's one that I haven't heard anybody else talk about. And that is the route over Highway 20 in

the wintertime.

Highway 20, in the wintertime, for about eight miles from the bottom of the curve -- you get across the hill, down the other side, is every bit as treacherous as any other piece of road in this country.

The trucks that are going to be traveling on the road are going to have to stop, chain up, go across the mountain, down the other side, stop, unchain, before they get to Highway 15 and then proceed on into Cedar City.

What I would like to know is what kind of provision has been made for the line of trucks both coming and going over that particular highway in the wintertime has been made.

Because if there's been no provision made, there's going to be a line of trucks clear back to the state line as these guys chain and unchain these trucks.

Thank you.

MR. SWAPP: My name is Richard Swapp. And I live outside the town of Alton just over here on -- on the ranch.

And I appreciate all the concerns that have been brought up. I share some of those concerns.

The -- the main concern I have is my understanding that the coal company has made a verbal

commitment to the town of Alton, they will not drive their trucks through the town.

Now, if they're not going to drive the trucks through the town and they're going north, I would really like to know what their proposed route is and what they're going to do.

We -- we have private property; we're planning on subdividing. If they -- they've made overtures to us to buy part of that property, which has been turned down. But, with the recent court rulings and things like that, there's always ways to get around that.

And I would like to know what the coal company plans to do about that route, and actually if that falls partially in the permitting process.

Thank you.

MS. ALLISON: My name is Barbara Allison. I live in Panguitch; I have a business in Panguitch. We have a motel right on 89.

Right at this time of year is very difficult for our customers to even get out on 89 because there is a lot of trucks; there is a lot of cars. And I can't imagine every four and a half minutes a coal truck added to this.

So it -- it makes you think, quick, sell the business, get out because how are these tourists going

to handle it all. It's just -- it's a real puzzle. 1 2 Most everything else has been covered by all you folks. 3 The danger for children is a big worry for us. 4 We have great-grandkids who come up. And what's going 5 to happen when these little grandkids accidentally go on 6 that 89. It's scary, very scary. 7 Okay. Let's see. The jake brakes, the shifting of all the trucks, all that noise, I think, is 8 really going to damage the motel business, and we are a 9 10 tourist town. 11 We have 13 or 14 little motels in town besides 12 bed and breakfasts, and it's -- it's a tourist town. 13 And it's enjoyed by everybody. It's so 14 beautiful. It's -- we want to keep it that way. 15 Thank you. 16 MR. DRUMMOND: My name is Jerry Drummond, 17 D-r-u-m-m-o-n-d. I operate a small lodge up on 18 Highway 89, just south of Highway 12. We cater to park visitors and fly fishermen. 19 20 As far as fly-fishing goes, I've fished all over the country. I've been in states where you can't even get 21 22 in the waters because they're condemned today. 23 I'm very nervous. Other parts of the world, as you might know or 24

might not, there aren't any fish in the waters anymore

25

because they abused them. At least, we've taken the efforts to try and calm that a bit.

As far as the park visitors go, probably 80 percent or more of our visitors are park visitors. They come here for the reasons you've heard, because of the skies, the quietness. They comment over and over again. They come back over and over again.

They come from Internet advertising. They come from travel agencies. I've spoken to a few of our travel agencies that bring people to our area. And they have basically said that when they get a bad report, they stop recommending.

So, thank you.

MS. ALLISON: My name is Carol Allison. I live in Panguitch off of Highway 89 just south of 12. I agree with most of the comments that have been made here.

My husband and I purchased our property because we so enjoyed the beauty of this area. And just driving up here today, I could not imagine what is going to happen to this area and what is going to happen to your tourism.

And, as Mr. Drummond said, as being a travel professional, I can tell you he's right. And when the word gets out about this area and about the coal mine

trucks and the traffic, the noise and the dust and the dirt, you can bet the travel professionals will not endorse this area. And it's such a beautiful area.

And the people that we have met in this area, the businesses, I think it's justly unfair to the common man to do this.

MR. JOHNSON: My name is Jim Johnson. I live in Kanab. I want to address this trucking business a little bit. Chance Corporation travels through Kanab from Page, Arizona to Las Vegas, Nevada, 24/7.

They come up over a high grade at the north end of the Kaibab. They travel through Hurricane, stop in the middle of Hurricane, a busy part of the section of town, travel past the elementary school.

We thought the same thing as the people of Panguitch. I can say that we've had no problems with them traveling through Kanab, like I say, 24/7.

I would do work at a local motel there. And I do know that we turn away people practically nightly, tourism.

Thank you.

MR. MCMAHAN: My name is Peter McMahan as well as my wife. She mentioned some of the economic impact. I worked for the Federal Government for 31 1/2 years, including eight years with the national parks.

During the late '70s and early '80s at Mesa Verde National Park, they did a visibility study, of which I was a part, viewing the changes that were apparently going on in the Four Corners area.

And when the conclusion of that study came out, it was determined that visibility had significantly decreased directly related to coal projects, the power plants and others, and some of the -- the negative impact that was felt by that region. This is a -- a matter of public record.

I also have a degree, one of my degree's in biology. I can tell you that with wildlife migrations, as they instinctively cross the highway -- and having also worked in Everglades National Park and seeing these migrations, I can also add very distinctly with studies that I've participated in, that the wildlife will be very negatively impacted, especially with the number of trucks more significantly than what this gentleman pointed out that would be seen on the highway.

Thank you.

MR. HEATON: Hi. I'm Ron Heaton from Cedar City, Utah. I made comments. I'd just like to talk about the employment possibilities.

There are some significant problems with transportation that need to be addressed, but one of the

things that Kane County lacks is diversity in employment.

And the coal mine definitely would bring some of those. And we ought to consider those employment needs because there are -- I grew up here but could not stay here because of employment.

I was fortunate enough to find a job close in Cedar City, Utah, but I have children from Hawaii to Maryland who cannot be here because of employment opportunity. And I think that ought to be considered because we do need some employment.

It would be my preference if they could use the coal on-site, but, as you all know, they proposed an Alton project slurrying the coal out 30 years ago.

And it was turned down because they didn't want any power plants in the area. It was never built. It was probably a wise decision, but the Alton project never succeeded either.

And our nation faces some difficult energy problems, and we need to address those one way or the other.

So I think you need to consider employment and what it would do for -- for the county and this end of the state.

MR. THEVENIN: I'm Paul Thevenin, and I'm from

Alton here. For those of you who drove in, I live in the first house as you come into town. And I love this community wonderfully well.

I think this is basically a local community project, and I think the greatest weight should be given to the people who live here locally.

They talked about the road and that. It's going to be diverted out around. It really doesn't affect the tourists that much, that particular road, because it's a dirt road.

Very few people come in, go out -- and go out through Johnson Canyon. And it's going to be replaced by a dirt road. It's a gravel road, but it's basically dirt. So that's one of the things. I think we don't have a real problem with that.

One of the other things that was mentioned is the pollution that's going to be up at Bryce. We're here at about 7,000 feet; Bryce, I think, is about 9,000 feet. And I don't think that type of particulate is going to get into the air and go up the 2,000 feet to really inundate Bryce Canyon.

As far as the truckers go, I would really rather trust my grandchildren to a truckdriver with a CDL than somebody my age, 74, driving a big motor home through town when he doesn't have the vaguest idea what

to do with a vehicle that big.

So I have -- having been around truckers most of my life, really very few people ever get squashed by commercial truckdrivers.

One the other things that was on my mind -oh, as far as the relocation or restitution of the
property, this project came up, or discussions about it,
about four years ago or so.

And this time I was on the town council, and they recommended we go up to Kemmerer, Wyoming to see what's being done with redoing the property up there.

Having been in and through Kemmerer, Wyoming many years ago, I will have to say that Kemmerer, Wyoming never looked as good as it did after they did the re- -- redoing of the property up there. It's a much, much nicer place.

If any of you've ever been up around Kemmerer, Wyoming, my advice is to go see what they're doing with reclamation.

A lot of people, when they think of mining, they think of the old days, the strip mining, where you stripped it and ran off to somewhere else and left everything alone. But there's so many safeguards now; I don't think that'll happen.

Oh, the other thing is, being -- being from

Alton, I think -- as this project is down here in the Alton area, I think, probably the greatest weight of concern for those who are making decisions should be the feelings of the people here in Alton.

DIRECTOR BAZA: We have plenty of time if there's anybody else who wants to comment.

MR. JUDD: Hi. My name is Brent Judd, and I live here now since -- I have for about 10 years, 13 years. Born and raised in Kanab.

I love the red rocks of Kanab, and the white ledges of Johnson Canyon and the pink cliffs of -- of Bryce. It's a beautiful area.

But I also know that this country is in a world of hurt when it comes to energy. We always want somebody else to do it for us. We always want it to go someplace else.

And I believe that we are stewards of the land. And we need to take care of what we have, and I believe that we can do it in a -- in a way that can be helpful and friendly and be able to provide the resources that we need in this country.

So I'm for the Alton Coal Project. I'm concerned about the road out of here and how they're going to get it through the town of Alton.

And I -- I expressed the same question that

Richard addressed a little while ago. And how are they going to do that because the streets here in Alton are pretty tiny, but I -- I believe that we can -- we can probably work that out somehow.

But we need to take care of our energy needs in this great country, and we can't pawn it off onto anybody else any more.

Tourism will survive, but if energy goes away, tourism will go away too because nobody will be able to drive here to see this beautiful land.

Thank you.

MS. BRYANT: I -- I guess I need a clarification. During the BLM initial BIS, we were told by the Alton -- the Coal Hollow project that this coal was not -- was going to be railed out of here in Cedar City. And, at one time, I was told it was going to China.

I guess we need clarification. Is this coal going to be used in the United States or not?

DIRECTOR BAZA: I know that's a question you want addressed. We do have a representative of the coal company here.

I indicated to him that we would give him the last word tonight to try to respond to some of these comments and questions.

But, before I do that, is there anyone else who wants to be on the record tonight?

MR. SALVATO: Hi. My name is Vince Salvato, I live in Panguitch. Salvato, S-a-l-v-a-t-o.

In answer to this question about jobs, last year in Garfield County, there was 500 building permits issued. And 90 percent of the construction in Garfield County was done by outsiders.

The jobs are here. We need to educate our young people, train them, send them to school for plumbing, carpentry, framing. There's plenty of jobs. That's not an issue.

Thank you.

DIRECTOR BAZA: I see we have some people that just walked in. Right now, we have a bit of an open mike.

If you would like to make comments for the record for us to consider as a Division, please step up to the microphone and do that.

We'll shortly be turning some time over to the representative of the coal company who would like to say a few words too.

MR. FRANK NICHOLS: I'm Frank Nichols; I'm from Cedar City. I'm -- I own the property and the industrial park where the coal will be loaded out of.

And this is a very positive thing for the railroad and Cedar City, sparkplug more railroad use, which will sparkplug more railroad use.

20.

And railroads are coming back. It's the efficient way to move materials and equipment especially now that energy costs are a lot.

And so it's going to do a lot for employment also in Cedar City. And so I'd just like to go on record as supporting it.

DIRECTOR BAZA: Okay. We have a comment back here.

MR. BRIAN NICHOLS: Hi. My name is Brian Nichols from Cedar City also. And we're here with Frank.

We're excited for the economic development opportunities that are going to come with the expansion of -- of the coal operations over here for -- for this part of the county as well as where we're at.

My wife's family has a summer residence just off of Hatch in the Mammoth Creek area. And I think that we're just excited to have these opportunities.

I think, with energy costs where they're at, that -- that expansions such as these are going to happen, whether in this part of the country or otherwise, and -- and we might as well benefit from it.

So I'd like to go on record as being in favor as well.

Thank you.

MR. HEATON: My name is Claren Heaton. I'm the Mayor of Alton. I figure I ought to, at least, get my two cents worth in here.

I know we've talked about truck traffic and -- and wildlife and -- and all of these things, and -- and I understand that there's -- there's some concerns there.

And, again, it was brought up about the energy prices, the energy costs. I just noticed -- I don't know how many of you have gotten your Garkane paper in the last three or four days.

They're talking about a rate hike because of -- because of transportation costs. That's going to be held in, I think, it was in October of this year when they're talking about that.

What -- what is that going to do if -- if we don't -- can't supply the coal to some of our local power plants, and we bring it in from out of state, which eventually is going to happen because Carbon County and Emery County are literally running out of coal.

And people that I have talked to up in that

area have said there might be five to eight years left of coal mining in the State of Utah.

Kane County has 97 -- 96 or 97 percent of the coal that's in the State of Utah. Now, if we could get access to that -- and I know some of it's on federal land, and some of it's locked up in the monument out there.

But if we could get access to that coal for our local power plants, I think that would do a lot in keeping our electrical costs down.

Now, you talk about jobs. All the jobs that's come into -- into Garfield County, probably most of 'em happened on Cedar Mountain up around the lake, going -- going up that way.

I know there's a lot of building going up there, but what does that do for us? Those jobs don't do anything for the town of Alton. That doesn't do anything for our kids to come back to the Town of Alton and live and stay.

And I -- I understand the transportation costs that you have, but there are other things. There are other people who are affected by it, not only with the transportation but with energy costs, with power costs.

And if we can use this coal to even make -there -- there's some people around that have the

ability to do gasification, which makes diesel fuel out of this stuff, gas out of this stuff.

Why not try and be energy sufficient right here? If we can make diesel, if we can make gas, and we can keep our electrical costs down, why not do it right here?

I mean, there may be some things that we have to -- that we have to live with. I mean, I'm not -- I -- I'm not thrilled about all of the trucks if they -- if we have to come through town. I understand that.

But there's some things that we have to do or

I don't know where our standard of living is going to go

if we keep buying fuel, buying oil, buying coal from

outside the country basically.

And it keeps -- I mean, how many of you like the \$4 a gallon for gas, \$5 for diesel? I don't know how many of you own diesel trucks, but I know a couple who have gotten a diesel truck not too long ago, when it was at \$3 a barrel -- or \$3 a gallon, and they basically had to park their truck because they can't afford to drive it anymore.

And if we can afford and have someone here in this area that can make diesel out of coal, gas out of coal, why not do it? Why not let it happen right here?

Thank you.

MR. BARON: Hi. My name is Erik Baron,

B-a-r-o-n, and I work in Kanab. I commute 48 -- or 84

miles a day to go to work in Kanab because there is no

job near here that will totally suffice to support me

and my family.

I was lucky enough to marry a girl from here, and we were able to get some property.

On the trucking issue, working in Kanab, I work at the Sheriff's Office in dispatch, and I work the night shift.

And, just a different spin on things, at night the trucks are the only ones going down the road most of the time.

You know, we have accidents at night, and, a lot of the times, the truckers see the accidents and call in and report 'em.

Whereas, before we had the trucks coming through from Page to Kanab to Hurricane, it was sometimes eight hours before somebody was found lying on the road who was thrown from their car. But these truckers were able to stop, render first aid and get medical attention.

Now, tourism in Kanab has not slowed down any, and they have actually progressed and been able to open more shops and more tourist attractions for the town.

And so there's been plenty of opportunities for tourists.

Kanab has several historical places also that were somewhat affected, but they've gone -- they've overcome those things that have happened, and they've moved on.

And, overall, the company that's hauling from Page to Hurricane has helped -- excuse me, helped the Kanab community numerous ways more than just, you know, having traffic there.

There's a lot of other things that go with the traffic. There are good sides of it. And so I'm quite in favor of this.

Thank you.

MR. BLACKWELL: Hi. My name is Rick

Blackwell, Paiute County Commissioner. I thought I

lived in the most beautiful little community in Southern

Utah until I drove into Alton, Utah.

And now I know why my children -- all of my children have very good friends from Orderville and from Alton. I have a son used to come here and stay and was very good friends with the Heaton family.

But, beyond that, I think Alton and Southern
Utah has a great opportunity to do some wonderful things
with this coal mine.

And I'm going to tell you, many of you have -- have talked about -- worrying about your [sic] trucks traveling through your community.

I was born and raised in Circleville. And I don't know how many of you realize and remember a little trucking company called Hatchco.

But I was living on Main Street of Circleville and grew up there. And we had approximately 100 trucks a day who were taking oil from the Escalante oil fields, back when I was growing up, that come through our community.

At that time, we had two additional cafes, two more motels and four gas stations. When that started to dry up and they quit coming through our community, it died. We have one motel. We have one grocery store and one gas station in Circleville.

So those of you who have businesses in -- in Panguitch, I think it will enhance and glorify your businesses with more business.

The opportunities for infrastructure on our road improvements alone with these trucks traveling the road will also enhance your tourism with the improvements that'll be done on the roads and other things.

And I know the employment -- I know what

that's going to do for Southern Utah. So, you know, I know it's -- it's -- it's Alton here who's going to have to live with the biggest problems, but I support them.

I'm not sure what your commissioners have -- are supporting this or not. I will get in touch with some of them and find out.

But I know the Paiute County Commissioners would be in support of a project like this. We wish we had the coal in our county.

Thank you.

DIRECTOR BAZA: I don't want to shut this down. I think this is -- we're getting some very good comments here, so . . . but if no one else has anything they want to say, I'm going to ask a representative of the applicant to come forward and make his statement.

MR. MCCOURT: My name is Chris McCourt. I'm the manager of Alton Coal Development, and I will directly address the question about the contracts and where this coal is -- is slated to go.

Right now, we're still in the negotiation period with several different groups, but I can tell you it's mainly going to be in the regional utilities industry, the majority of the coal will be.

We will not be able to nail down the contracts until we have permits, and nobody's going to sign them

until that time.

So, at this point, I can't tell you the exact locations that it will be going to, but that's the process.

Once we have the permits, we'll be able to sit down with the companies that we've been working with already and -- and confirm where -- where the locations of the coal will be.

We will -- the main location will be trucked to the Cedar City locale, and, from there, there's -- there's numerous different locations that we can direct.

(Inaudible question asked.)

MR. MCCOURT: The majority of it will be, yes.

THE REPORTER: I didn't hear the question.

MR. MCCOURT: He asked if it would be in the United States. The majority of it would be.

As far as the rest of the questions, the Division will be going through the transcripts from this meeting.

And they'll be providing the questions that they would like us to respond to in the technical adequacy assessment that they'll be giving to us probably in the near future. And we will address them in writing at that time.

Outside of that, the Alton Coal Development

would like to choose not to comment any further at this time.

Thank you.

DIRECTOR BAZA: Okay. Last chance. Does anyone have anything else they want to say?

Now, let me -- let me reiterate, this is not your last opportunity to make a statement to the Division.

In my opening remarks, I outlined that we're going to leave the time open for written comments as part of this informal conference through the end of this week.

But we also have -- as Priscilla has mentioned, we have a website, put the information up on the board that allows you to log in and find information on this -- this project as it proceeds.

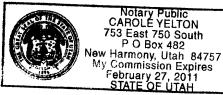
We have staff members here who can answer your questions. Please get in touch with them. And we'll be here for -- for a few minutes more, and -- and you can get e-mail addresses or phone numbers from them in order to contact us with your questions.

We want to be as responsive to you as possible. I think you can see by the range of comments we had tonight, this is not an easy decision.

But it's one that we're going to take very

seriously, and we're going to make sure that we do make the right decision that we can make under our laws and rules that have been established for us in the State of Utah. So, with that, if there's nothing else, I will call this meeting closed. And please come forward and ask the staff members any questions you want or look at the maps or peruse the volume of material we have here. Thank you all for coming. We really appreciate your comments and interest. (The proceedings were concluded at 7:22 p.m.)

1 REPORTER'S CERTIFICATION 2 3 I, CAROLE YELTON, a Registered Professional 4 Reporter and a Notary Public in and for the State of 5 Utah, certify: 6 That the foregoing proceedings were taken 7 before me at the time and place herein set forth. 8 That the Informal Conference proceedings were 9 recorded stenographically by me and were thereafter 10 transcribed: 11 That the foregoing is a true and correct 12 transcript of my shorthand notes so taken. 13 I further certify that I am not a relative or 14 employee of any attorney or of any of the parties nor 15 financially interested in the action. 16 17 IN WITNESS WHEREOF, I set my hand this 24th 18 day of June, 2008. 19 20 21 Notary Public 22 23



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